



Arnold Schwarzenegger
Governor

September 10, 2010
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Mr. Jorge Hernandez, Client Services Manager
LA Works
5200 Irwindale Ave., Suite 210
Irwindale, CA 91706

Dear Mr. Hernandez:

WORKFORCE INVESTMENT ACT
VETERAN'S EMPLOYMENT-RELATED ASSISTANCE PROGRAM
15-PERCENT ADULT PROJECT
25-PERCENT DISLOCATED WORKER PROJECT
FINAL MONITORING REPORT
PROGRAM YEAR 2010-11

This is to inform you of the results of our review for Program Year (PY) 2010-11 of the LA Works' (LAW) administration of its Workforce Investment Act (WIA) Veteran's Employment-Related Assistance Program (VEAP) Projects. Mr. Tom Liu conducted this review from August 23, 2010 through August 27, 2010. For the program operations portion of the review, we focused primarily on the areas of program administration, participant eligibility, WIA activities, monitoring, if applicable, and management information system/reporting. For the financial management portion of the review, we focused primarily on the areas of accounting systems, expenditures, allowable costs, cost allocation, reporting, cost pools, indirect costs, cash management, internal controls, program and interest income, single audit, if applicable, and property management. For the procurement portion of the review, we focused on procurement competition, cost and price analyses, and contract provisions.

We conducted our review under the authority of Sections 667.400(c) and 667.410(b) (1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by LAW with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations, financial management and procurement.

We collected the information for this report through interviews with LAW representatives and WIA participants. In addition, this report includes the results of our review of sampled case files for participants enrolled in the WIA VEAP Projects; a review of

LAW's response to Sections I and II of the Program On-Site Monitoring Guide; applicable policies and procedures; and a review of documentation retained by LAW for a sample of expenditures and procurements.

BACKGROUND

The LAW was awarded \$124,900 in 15-Percent funds to serve 40 adult participants, and \$124,900 in 25-Percent funds to serve 40 dislocated worker (DW) participants from January 1, 2010 through March 31, 2011.

For the period ending July 31, 2010, LAW reported that it spent \$39,317 of its 15-Percent funds to enroll 38 adult participants, and spent \$32,480 of its 25-Percent funds to enroll 36 DW participants. We reviewed 15 of 38 case files for the 15-Percent adult participants, and 15 of 36 case files for the 25-Percent DW participants enrolled in the WIA VEAP Projects as of August 23, 2010.

PROGRAM REVIEW RESULTS

We conclude that, overall, LAW is meeting applicable WIA requirements concerning grant program administration.

FINANCIAL MANAGEMENT REVIEW RESULTS

We conclude that, overall, LAW is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, LAW is meeting applicable WIA requirements concerning procurement.

We are issuing this report as the final report because this report contains no findings or concerns.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is LAW's responsibility to ensure that its systems, programs, and related

Mr. Jorge Hernandez

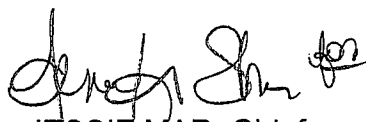
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September 10, 2010

activities comply with WIA-related federal regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain LAW's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Cynthia Parsell at (916) 654-1292.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jessiemar", with a stylized flourish at the end.

JESSIEMAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Salvador Velasquez, Chief Executive Officer
Ann Luu, MIC 50
Georganne Pintar, MIC 50